Government of
Saskatchewan

Annual Report
1984-85

Saskatchewan
Health

Prescription
Drug Plan

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To The Honourable Frederick W. Johnson,
Lieutenant Governor of Saskatchewan

May it please Your Honour:

In accordance with Section 8(3)(e) of The Prescription Drugs Act, I am pleased to present the Annual Report of the Prescription Drug Plan for the period of April 1, 1984 to March 31, 1985.

Respectfully submitted,

Graham Taylor

Graham Taylor
Minister of Health

Graham Taylor
Minister of Health

To The Honourable Graham Taylor,
Minister of Health

Sir:

I am pleased to present herewith the Annual Report of the Prescription Drug Plan for the fiscal year ending March 31, 1985.

Respectfully submitted,

Walter Podiluk
Deputy Minister
of Health

Walter Podiluk,
Deputy Minister
of Health

W. F. (Rick) Roger,
Associate Deputy
Minister of Health

R. J. (Ron) Waschuk,
Executive Director,
Prescription Drug
Plan

Objectives of the Prescription Drug Plan

The Prescription Drug Plan was established to:

1. Reduce the direct cost of prescription drugs to Saskatchewan residents.
2. Provide coverage to Saskatchewan residents for quality pharmaceutical products of proven therapeutic effectiveness.
3. Reduce the cost of drug materials by encouraging effective price competition and quantity discounts.
4. Encourage the rational use of prescription drugs through research, consultation with professional associations, and educational programs directed at physicians, pharmacists, and the general public.

History

1. The Prescription Drug Plan began providing benefits on September 1, 1975.
2. In addition to drugs listed in the formulary, certain drugs were granted "exception status" if specific criteria were met.
3. Since January, 1976, some nutritional products have been covered where specific criteria have been met.
4. As of April, 1981, the Prescription Drug Plan became the paying agent for the Medical Services Division (MSD) and Saskatchewan Health Aids to Independent Living (SAIL). Payment is made to pharmacies for non-formulary prescription drugs that are benefits of these two agencies.
5. Liquid oxygen became a benefit in November, 1983.

Background to the Prescription Drug Plan

The Prescription Drug Plan was designed in consultation with physicians, pharmacists, and pharmaceutical wholesalers.

Some of the major design criteria of the Prescription Drug Plan were:

1. The consumer should pay a portion of the cost of each prescription.
2. A drug formulary system should be used. Only drugs proven to be therapeutically effective and made by competent manufacturers should be covered.
3. The existing wholesale and pharmacy retail distribution system should be used.

The enabling legislation for the Prescription Drug Plan, the Prescription Drugs Act, was assented to on May 10, 1974.

The Plan in Brief

All Saskatchewan residents who hold valid Saskatchewan Health Services cards, except those who have prescription costs paid by another government agency, are eligible for benefits under the Prescription Drug Plan.

Drugs covered by the Prescription Drug Plan must be prescribed by a licensed physician or dentist and be listed in the Saskatchewan Formulary.

The range of drugs listed in the formulary enables physicians to select appropriate courses of therapy for most patients. Drugs are under continuous review, and additional drugs are added to the Saskatchewan Formulary if they meet the standards established by the Saskatchewan Formulary Committee.

Consumers pay a maximum of $3.95 per prescription (as of January 2, 1984) for drugs covered by the Prescription Drug Plan.

The Prescription Drug Plan provides staff support services to the Saskatchewan Formulary Committee, the Drug Quality Assessment Committee, and the Joint Committee on Drug Utilization.

Highlights for 1984-85

• Seventy per cent of the eligible population received benefits.

• An average of 7.4 prescriptions was dispensed to each active beneficiary.

• The average Prescription Drug Plan payment for 405,583 families receiving benefit from the Prescription Drug Plan was $134.83.

• There were 5.1 million claims processed in the fiscal year.

• Net Drug Plan payments for drugs increased from 47.3 million dollars in 1983/84 to 54.7 million dollars.

• The Drug Plan provided benefits for oxygen, Exception Status drugs, and nutritional products.

• Two editions of the Saskatchewan Formulary were published with 110 new products added, bringing the total to more than 1630 drug products listed.

• Six editions of the Saskatchewan Formulary Committee Bulletin were released during the year. Three of these were to complete a six part series on antibiotics, one presented the report of a Special Review Committee on Benzodiazepines, and the others provided information about new products added to the formulary.

• There were over 1652 prescribers of formulary drugs. Of these, 647 prescribed between 20 and 499 prescriptions paid by the Prescription Drug Plan and 102 prescribed more than 10,000 prescriptions.

• In consultation with the Saskatchewan Pharmaceutical Association, the dispensing fee for drugs remained at $5.30.

• During the year, 21 pharmacies transmitted over 467,500 claims via telecommunications.

• During the year, funding was provided for:

a) the Roving Professorship Program which brought information on current drug therapy to smaller communities throughout the province.

b) the Dial Access Program, a province wide drug information service for professionals.

• The Joint Committee on Drug Utilization released Report No. 9 - "Triazolam Use in Saskatchewan" and Report No. 10 - "Drug Use in Pregnancy in Saskatchewan".

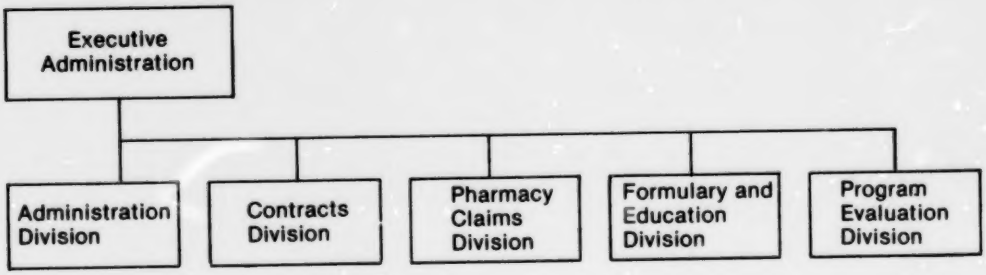
• The Prescription Drug Plan organized the "International Symposium on Drug Data Base Uses" that was held in Regina, November 7-8. Over 100 people attended from Canada, the United States, England and Sweden. Copies of the Proceedings are available.

• The Program Evaluation Division received over 300 requests for information from physicians, researchers and drug manufacturers.

• Data from the data base have been used to fulfill research requests from a variety of sources.

• Of all the prescriptions where a choice of brand is available, it appears that only half are filled with the most economical alternative.

Administrative Organization



Executive Administration

The Executive Administration is responsible for the management of the Prescription Drug Plan. The Executive Director serves as the principal contact on matters of policy and procedures with representatives of pharmacy, medicine, drug wholesalers, and drug manufacturers.

Administration Division

The Administration Division is responsible for developing and implementing the administrative policies and procedures of the Prescription Drug Plan.

The division's functions include: budget preparation and monitoring; space, property, and supply management; audit and verification; processing of revenue accounts and expenditures (excluding computerized pharmacy claims); ensuring pharmacies receive payment; processing of manual claims payment; preparation of reports, materials, and financial data for the year end statements; other administrative functions.

The division provides support services to other Prescription Drug Plan divisions including: personnel management; team typing; productivity co-ordination.

The Audit and Verification Section conducts post-audits of pharmacy claims and randomly selects claims for verification by the beneficiary. This ensures compliance with the Pharmacy Contract.

Contracts Division

The prime function of the Contracts Division is to ensure that pharmacies have available to them a continuous supply of quality drugs at reasonable prices.

The functions of this Division include: obtaining guaranteed prices from manufacturers for all products listed in the formulary; issuing tenders for high volume drugs; ensuring wholesalers have an adequate supply of drugs so that pharmacies are able to purchase quantities needed; maintaining liaison with manufacturers to ensure prices charged in Saskatchewan are in line with those of the rest of the country; updating prices for Medical Services Division and Saskatchewan Health Aids to Independent Living claims for acceptance into the regular claims system.

Pharmacy Claims Division

The objectives of the Pharmacy Claims Division are to: provide accurate and prompt payment; maintain efficiency and cost-effective operation and processing; maintain credibility with the pharmacist.

The Pharmacy Claims Division is responsible for the processing and payment of accounts submitted by participating pharmacies and dispensing doctors. The computer services necessary for the processing of claims are co-ordinated by this division and supplied by the Systems Division, Saskatchewan Supply and Services, the Saskatchewan Computer Utility Corporation, and the Saskatchewan Hospital Services Plan.

The processing and payment of pharmacy claims involve the combined efforts of several sections in the Pharmacy Claims Division. The Systems Section provides analysis and detail design for changes to manual and computer processing of claims. This section also has responsibility for systems control measures and implementation and testing of system and computer program changes.

The Processing Section is made up of three units. The Mail Room Unit receives and screens incoming claims. The Data Entry Unit transfers the information from these claims to magnetic tape to enable computer processing of accounts. The routine assessment and approval of accounts for payment are performed by computer. Each claim is checked against stored information to determine whether it can be approved for payment. Claims which are not approved for payment are rejected for manual review. Those which require clarification or interpretation are sent to the Assessment Unit.

The Pharmacy Claims Division is responsible for communication with pharmacies regarding

Prescription Drug Plan operations. The division issues periodic bulletins to pharmacies and maintains the Pharmacy Manual. These items provide pharmacies with current statements of Prescription Drug Plan policy and information on submission and processing of claims.

The number of prescriptions processed per employee in the Claims Division has increased from 87,211 in the 1979-80 fiscal year to 148,402 claims in the current fiscal year.

Formulary and Education Division

The objectives of the Formulary and Education Division are to: provide assurance of quality and therapeutic effectiveness of all drugs covered by the program; provide assurance of interchangeability; develop educational programs for consumers, physicians, and pharmacists aimed at encouraging the rational use of prescription drugs.

The functions of the division include: providing staff support services to the Drug Quality Assessment Committee and the Saskatchewan Formulary Committee in the review of products under consideration for listing in the formulary; implementing recommendations of the Saskatchewan Formulary Committee regarding listing (or de-listing) of products and designation of interchangeable status; publishing the Saskatchewan Formulary; maintaining surveillance of drug quality; encouraging rational use of drugs by development and support of educational programs and services for consumers, physicians, and pharmacists; reviewing requests from physicians and authorizing special categories of drug coverage (for example, Exception Drug Status, and Saskatchewan Assistance Plan Two coverage) when appropriate.

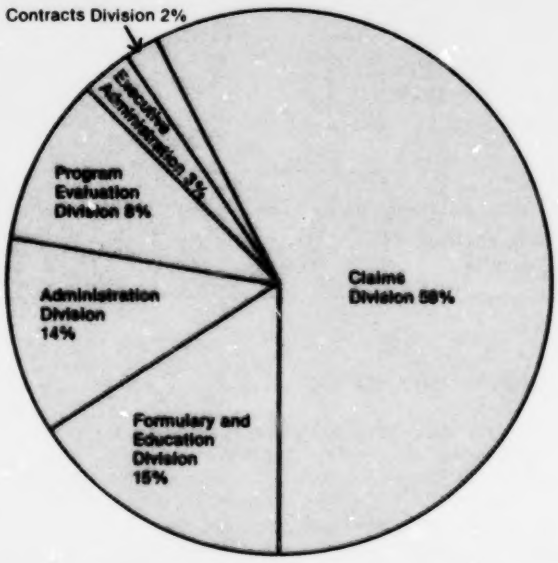
Program Evaluation Division

The Program Evaluation Division functions to provide evaluative and research services.

The responsibilities of this division include: specification and production of statistical information; preparation of the Annual Report; management support services through the provision of information and assistance in the development of policies and procedures to improve the operation of the Prescription Drug Plan; maintenance of the data base; use of the data base to evaluate the function of the Prescription Drug Plan, to conduct in-house research, to conduct research for the Joint Committee on Drug Utilization, to answer inquiries from other Prescription Drug Plan divisions and from outside of the Prescription Drug Plan; representation on the Department of Health's Cross Agency Study Committee; provision of staff support services to the Saskatchewan Formulary Committee and the Joint Committee on Drug Utilization.

Administrative Disbursements

Figure 1. Administrative Disbursements



The total administrative costs for the fiscal year are separated by division in the figure above. The percent allocated to each division is indicated. The figure illustrates that 17% of these disbursements (less than 1% of total program costs) are used to administer the program. For ease of discussion the divisions and their general functions appear to be distinct, however, the overall efficiency of the Prescription Drug Plan depends on interdependence of all divisions.

Release of Information Policy

The Prescription Drug Plan will consider requests for Prescription Drug Plan data from serious researchers.

Drug utilization data will be released by the Prescription Drug Plan in such a way as to protect the confidentiality of the consumer, the pharmacy, and the prescriber. Information may be used only for purposes specified in the researcher's advance request. Conclusions and interpretations must be discussed with the Prescription Drug Plan prior to publication and the completed study submitted to the Prescription Drug Plan prior to its circulation. Guidelines for the release of Prescription Drug Plan data for research purposes are available on request.

Interested researchers should complete an Application for Research Data form obtainable from the Prescription Drug Plan. If the request is approved, the Prescription Drug Plan will provide the applicant with a cost estimate and a tentative date when the information will be provided.

Inquiries should be directed to the Executive Director, Prescription Drug Plan.

The Saskatchewan Formulary

A drug covered by the Prescription Drug Plan must meet certain requirements. The drug must:

1. Be listed in the Saskatchewan Formulary
2. Be prescribed by a licensed physician or dentist (with the exception of insulin and urine testing agents which may be obtained without prescription).

The range of drugs listed in the formulary will enable physicians to select appropriate courses of therapy for most patients. Drugs are under continuous review, and additional drugs are added to the Saskatchewan Formulary if they meet the standards established by the Saskatchewan Formulary Committee. Drug products will be deleted if they cease to meet these standards. Drugs may also be deleted if they are replaced by improved products. A revised edition of the Saskatchewan Formulary is published January 1 and July 1 of each year.

The Prescription Drug Plan does not normally cover over-the-counter (OTC) preparations which are available without prescription at reasonable cost.

The Prescription Drug Plan does not provide coverage for drugs which are covered by other government agencies. These include drugs administered in hospitals, antineoplastic agents, antituberculosis drugs, blood derivatives, vaccines, and sera.

Exception Drug Status

Drugs not listed in the formulary may be covered by the Prescription Drug Plan as "exception drugs" if one of the following criteria is met:

1. The drug is ordinarily administered only to hospital in-patients and is being administered to non-hospitalized patients because of unusual circumstances; or
2. The drug is not ordinarily prescribed or administered in Saskatchewan, but is being prescribed because it is required in the diagnosis or treatment of a patient having an illness, disability, or condition rarely found in this province; or
3. The drug is infrequently used because formulary preparations are usually effective, but are contraindicated or found to be ineffective because of the clinical condition of the patient; or
4. The drug is a therapeutically effective over-the-counter (OTC) product normally available without prescription at reasonable cost, but is required in large quantities or for extended periods of time.

Requests for Exception Drug Status must be made by the prescribing physician or dentist to the Director of the Formulary and Education Division. A 24 hour toll-free telephone line with an electronic secretary is provided for this purpose. A separate request is required for each patient.

If the request is approved, an authorization card is sent to the patient. The patient may obtain the approved drug by presenting the card and the prescription to the pharmacist and by paying the normal prescription charge. The pharmacist bills the Prescription Drug Plan in the same manner as for formulary drugs.

Saskatchewan Formulary Committee

The Saskatchewan Formulary Committee is appointed by the Minister of Health to compile and maintain the Saskatchewan Formulary. The formulary lists quality pharmaceutical products of proven medical effectiveness. The range of listed drugs is considered to be sufficient to enable physicians to select appropriate courses of drug therapy for most patients.

The committee identifies certain products as "interchangeable". Interchangeable products are different brands of the same drug with the same strength and equivalent dosage form. They are equivalent in therapeutic effectiveness and quality.

The activities of the committee are ongoing. The formulary is continually being revised and updated with new editions published semi-annually. Part of the ongoing work is to review new drug products, and to re-evaluate formulary drugs in light of new information on their use and effects.

Members of the Saskatchewan Formulary Committee as of March 31, 1985 are:

Mrs. E. MacPhail _____ Chairperson

Dr. A. J. Remillard _____ College of Pharmacy

Dr. G. E. Johnson _____ College of Medicine

Mr. C. Chlopan _____ Saskatchewan Pharmaceutical Association

Dr. M. Davies _____ Saskatchewan Medical Association

Dr. D. R. Amies _____ Saskatchewan Medical Association

Mr. M. Wolfe _____ Saskatchewan Health Care Association

Mrs. E. Bayda _____ Saskatchewan Registered Nurses Association

Dr. R. West _____ Saskatchewan Health

Drug Quality Assessment Committee

The Drug Quality Assessment Committee is appointed by the Minister of Health to advise and assist the Saskatchewan Formulary Committee. The members of this committee are knowledgeable in the clinical use of drugs, pharmacology, and drug manufacturing.

The major responsibility of this committee is to make recommendations to the Saskatchewan Formulary Committee regarding the clinical effectiveness and quality of products under review. The committee makes use of consultants' reports, manufacturers' or independent laboratories' analyses, clinical and manufacturing documentations, reviews of relevant scientific literature, and visits to manufacturing facilities to assess drug production methods and capabilities.

Members of the Drug Quality Assessment Committee as of March 31, 1985 are:

Dr. T. W. Wilson _____ Acting Chairman

Dr. A. J. Remillard _____ College of Pharmacy

Dr. D. Zuck _____ College of Pharmacy

Dr. R. Herman _____ College of Medicine

Dr. I. Holmes _____ College of Medicine

Dr. G. E. Johnson _____ College of Medicine

Dr. A. E. Somerville _____ Saskatchewan Medical Association

Mrs. E. MacPhail _____ Ex Officio Member

Joint Committee on Drug Utilization

The Joint Committee on Drug Utilization is appointed by the Minister of Health to consider quality of care issues as they pertain to drug use. The committee has the following terms of reference:

1. To identify areas of concern related to drug utilization.

2. To carry out study and analysis related to the concerns identified.

3. To recommend appropriate methods of dealing with concerns related to drug utilization and its impact on the quality of care.

   Recommendations may be made to the Minister of Health or to the various health professional and regulatory bodies, including the constituent bodies which are: the College of Medicine, the College of Pharmacy, the Saskatchewan Medical Association, the Saskatchewan Pharmaceutical Association, the College of Physicians and Surgeons, and the Prescription Drug Plan.

4. To provide information that can be used in education programs for the public and the health professions.

The Prescription Drug Plan, through its Program Evaluation Division, assists the committee by providing information on drug use and by undertaking studies to analyse the areas of concern identified by the committee.

The committee has an ongoing program to assist physicians and pharmacists in monitoring mood-modifying drug use. Under this program, a patient medication profile is released to attending physicians and to the pharmacist where a patient's drug use exceeds usually recommended dosages.

Members of the Joint Committee on Drug Utilization as of March 31, 1985 are:

Dr. J. Blackburn _____ Chairman
College of Pharmacy

Dr. W. L. Albritton _____ College of Medicine

Dr. T. A. Wigmore _____ College of Physicians and Surgeons

Dr. J. D. Coucill _____ Saskatchewan Medical Association

Mr. G. McCutcheon _____ Saskatchewan Pharmaceutical Association

Mr. R. J. Waschuk _____ Prescription Drug Plan

Features of the Prescription Drug Plan

Eligibility for Benefits

All Saskatchewan residents who hold valid Saskatchewan Health Services cards, except those who have prescription costs paid by another government agency, are eligible for benefits under the Prescription Drug Plan.

The groups not covered by the Prescription Drug Plan include:

Registered Indians
(federal government responsibility)

Dept. of Veterans Affairs beneficiaries

Workers' Compensation Board Claimants

Royal Canadian Mounted Police
(dependents are covered by the Prescription Drug Plan)

Canadian Forces Personnel
(dependents are covered by the Prescription Drug Plan)

Prescription Requirements for Coverage

A prescription order from a physician or dentist is required for all drugs covered by the Prescription Drug Plan, with the exception of insulin and urine testing agents used by diabetics.

Cost to Consumer

The consumer pays a maximum of $3.95 per prescription (as of January 2, 1984) for most drugs covered by the Prescription Drug Plan and a maximum of $1.00 per package for insulin and urine testing agents. The balance of the prescription cost is paid by the Prescription Drug Plan.

Non-Standard Beneficiaries

Some residents are entitled to Prescription Drug Plan benefits at a reduced prescription charge, or are exempted from the charge when they receive certain drugs:

1. Saskatchewan Assistance Plan recipients with Plan One coverage pay a reduced prescription charge of up to $2.00 for most formulary drugs. Special coverage is provided for the following drugs which Plan One recipients are entitled to receive without charge:

   Insulin preparations
   Oral hypoglycemic drugs
   Injectable Vitamin B_{12}
   Oral contraceptives

2. Saskatchewan Assistance Plan recipients nominated on the basis of drug needs (Plan Two coverage) and dependents of Plan One recipients who are under the age of 18 are entitled to receive all drugs listed in the Saskatchewan Formulary without charge. In addition, Medical Services Division covers the cost of megavitamin therapy and allergenic extracts for Plan One and Plan Two beneficiaries.

3. Saskatchewan Assistance Plan recipients residing in special-care homes licenced under The Housing and Special-care Homes Act or in approved homes under The Mental Health Act (Plan Three coverage) are entitled to receive all prescribed drugs without charge. The cost of non-formulary drugs is paid by Medical Services Division.

4. Saskatchewan Assistance Plan recipients are entitled to 100% coverage for liquid and gaseous oxygen. This includes equipment rental and delivery.

5. Special beneficiaries such as cystic fibrosis patients, paraplegics, and chronic renal disease patients are entitled to receive all prescribed formulary drugs without charge. In addition, Saskatchewan Health Aids to Independent Living covers the cost of non-formulary disease-related drugs prescribed for special beneficiaries.

Pharmacy Reimbursements

According to the current agreement between the Department of Health and the Saskatchewan Pharmaceutical Association, the pharmacy receives its acquistion cost of drug material, an inventory cost allowance, plus a dispensing fee for each prescription. The dispensing fee varies depending on the volume of prescriptions dispensed by the pharmacy. Prior to December 1, 1984, the maximum fee of $5.30 applied to the first 20,000 prescriptions and $4.80 for each subsequent prescription. Effective December 1, 1984, the volume was adjusted to 21,000.

The consumer pays a maximum of $3.95 as a portion of the dispensing fee. The Prescription Drug Plan pays the pharmacy the balance of the dispensing fee, the pharmacy's acquisition cost of the drug material, and, as of December 1, 1984, an inventory cost allowance. The inventory cost allowance is a payment per claim. It is a percentage of the average acquisition cost of drug materials per prescription, less the average cost of higher cost interchangeable alternatives. Effective December 1, 1984, the inventory cost allowance is $0.1624 per paid claim.

For insulin and urine testing agents, the Prescription Drug Plan pays the pharmacy the cost of the drug material, plus a percentage markup (33⅓% for insulin, 50% for urine testing agents), less a maximum consumer charge of $1.00 for these drugs.

Prescription Quantities

Consultation with the Saskatchewan Pharmaceutical Association resulted in the establishment of the following guidelines for prescription quantities:

Pharmacies are permitted to charge one dispensing fee for:

1. Each two month supply or portion thereof of oral contraceptives and oral estrogens.

2. Each one hundred day supply or portion thereof of:
   Digitalis preparations
   Phenobarbital
   Anticonvulsant drugs
   Oral hypoglycemic agents
   Calcium preparations
   Thyroid and anti-thyroid preparations
   Gold compounds

3. A 34 day supply or portion thereof of all other formulary drugs.

   A pharmacy will not be reimbursed for more than a six-month supply at one time.

Product Interchangeability

The Saskatchewan Formulary Committee has identified approximately 250 interchangeable drug groups. Interchangeable products are different brands of the same drug with the same strength and dosage form. They are equivalent in therapeutic effectiveness and quality; however, their prices can vary widely. The Prescription Drug Plan utilizes compulsory product substitution in interchangeable drug groups to reduce the cost of drug materials.

The Prescription Drug Plan reimburses pharmacies for their acquisition cost of drug materials. When a prescription is filled for a drug in an interchangeable category, payment is based on the lowest-priced product in that category.

For example, assume that an interchangeable group contains the following brands at the unit prices shown:

Brand 1	$.0180
Brand 2	.0190
Brand 3	.0235
Brand 4	.0235
Brand 5	.0252
Brand 6	.0410

The pharmacist dispenses the most economical product and is paid accordingly. If the physician prescribes any brand in this category, the pharmacist will be reimbursed for the drug dispensed to a maximum of 1.8¢ per unit.

In some cases, a physician may believe that a particular brand is necessary for the specific need of a patient. If so, he or she must indicate "no substitution" on the prescription, and the pharmacist will dispense the brand specified. If the prescription was written for "Brand 6", "no substitution", the pharmacist would dispense Brand 6 and be reimbursed at a rate of up to 4.1¢ per unit.

Diabetic Policy

Diabetics do not require a physician's prescription to obtain insulin or urine testing agents as benefits under the Prescription Drug Plan.

A diabetic pays a maximum charge of $1.00 for each package of insulin or urine testing agent.

A physician's prescription is required for blood glucose testing agents and oral hypoglycemics. These are subject to a maximum charge of $3.95. A 100 day supply of oral hypoglycemics may be obtained for one prescription charge.

Saskatchewan Assistance Plan recipients also receive syringes and needles as benefits through another government agency at no cost.

Oxygen Policy

Medical gaseous oxygen is a benefit under the Prescription Drug Plan for eligible Saskatchewan beneficiaries if prescribed by their physician. Coverage for liquid oxygen is limited to nominations from pulmonary specialists or internists specializing in respiratory disease.

The Prescription Drug Plan pays for the cost of the oxygen plus transportation costs to the local depot. The patient pays the cost of cylinder rental and local delivery. Saskatchewan Assistance Plan recipients receive 100% assistance for cylinder rental and local delivery.

Out of province benefits are limited to any ninety days within a calendar year for residents who have a pre-existing medical condition for which oxygen has been prescribed and for which they are undergoing therapy prior to departure.

Nutritional Products Policy

Certain nutritional products may be covered by the Prescription Drug Plan on Exception Drug Status when certain specific disease states do not permit the utilization of food.

The request for coverage must be made by the prescribing physician.

If the request is approved, the Prescription Drug Plan will reimburse the patient for 70% of the nutritional product cost in excess of the first $100.

Participating Pharmacies

On March 31, 1985, there were 364 pharmacy outlets participating in the Prescription Drug Plan. This figure includes 313 retail outlets in the province, 18 dispensing doctors, and 33 Manitoba and Alberta border pharmacies.

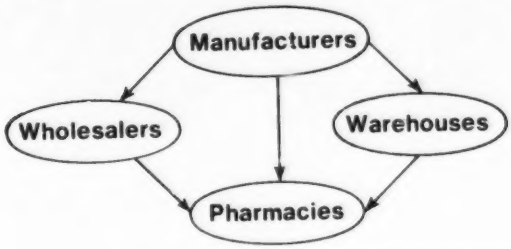
In-province pharmacies can participate in the Prescription Drug Plan by signing the Saskatchewan Pharmacy Agreement. The terms of this agreement are established in consultation with the Saskatchewan Pharmaceutical Association.

In certain remote communities without pharmacy services, physicians may participate in the Prescription Drug Plan as dispensing doctors, providing they meet the licencing requirements of the Saskatchewan Pharmaceutical Association.

Border pharmacies in Alberta and Manitoba which have an established clientele of Saskatchewan residents are eligible to participate in the Prescription Drug Plan. The pharmacy must sign the Saskatchewan Pharmacy Agreement before being eligible to submit claims and receive payment for drugs dispensed to Saskachewan residents.

Acquisition and Distribution of Drug Materials

A continuous supply of quality drugs at reasonable prices is ensured using the following distribution network:



The wholesalers are National Drug Limited, Regina, Prairieland Drug Wholesale Limited, Saskatoon, and United Pharmacists Enterprises Limited, Saskatoon.

Prior to the implementation of the Prescription Drug Plan, one current group of pharmacies, the Federated Co-operatives Limited, was involved in central purchasing and redistribution. This group has grandfathered status as a "warehouse" and distributes only to member pharmacies.

Drug costs listed in the Saskatchewan Formulary are determined through two methods: Standing Offer Contracts and Maximum Allowable Cost.

1. Standing Offer Contract (S.O.C.)

An S.O.C. is a contract between a manufacturer and the Prescription Drug Plan to supply certain drug products to approved wholesalers and warehouses at a contracted price. These distributors purchase the drugs from manufacturers and distribute them to pharmacies.

The procedure is as follows:

a) The Saskatchewan Formulary Committee identifies the approved suppliers of a drug.
b) All approved suppliers of that drug are invited to bid on the tender.
c) An S.O.C. is usually awarded to the supplier(s) providing the lowest tendered price.

Example:

Approved Suppliers — 5

Contract period — for the formulary period January 1 to June 30

Intended number of contracts — 1

Package size — 1,000 tablets

Minimum order quantity — 50,000 tablets

Estimated requirement — 5,000,000 tablets

Bids received

Supplier	Brand	Tendered Price
A	1	$0.0068
B	2	0.0075
C	3	0.0121
D	4	0.0352
E	5	0.0422

A Standing Offer Contract would be made with "Supplier A" for "Brand 1" at $0.0068.

The pharmacist must dispense the S.O.C. drug in an interchangeable category unless the prescriber has specified "no substitution".

Standing Offer Contracts may also be used to obtain quantity discounts for single supplier drug products.

2. Maximum Allowable Cost (M.A.C.)

Drug manufacturers must provide guaranteed maximum prices for each drug which they have listed in the Saskatchewan Formulary for the effective period of the Formulary — January 1 to June 30 and July 1 to December 31 of each year.

For a drug listed in an interchangeable category, the Prescription Drug Plan will reimburse the pharmacy for its acquisition cost up to the lowest guaranteed price in the Saskatchewan Formulary for drugs in that interchangeable category.

Using the following example, the M.A.C. would be 1.8¢:

Brand 1	$0.0180
Brand 2	0.0190
Brand 3	0.0235
Brand 4	0.0235
Brand 5	0.0252
Brand 6	0.0410

The Prescription Drug Plan is not directly engaged in the purchase and distribution of drug products. This function is carried out by the wholesalers and the warehouse under policies and guidelines set out by the Prescription Drug Plan.

Claims Processing

Pharmacies submit accounts (claims) to the Prescription Drug Plan on multi-line claim forms. Those pharmacies with computers have the option of submitting claims through direct computer-to-computer telecommunication linkage.

The claim forms received from pharmacies are scanned to ensure completeness, micro-filmed, date stamped, and counted. The information from each claim form is then keyed onto disk and transferred to magnetic tape.

For telecommunication claims, the pharmacy submits batch totals and an authorizing signature on a control document. The telecommunication claim information stored on disk is checked against this control document.

The keyed claim form information on magnetic tape and the telecommunication claim information on disk then enter the computer system where each claim is processed as follows:

1. a) After each claim is read by the computer, it is checked against stored information to determine whether the account can be approved for payment without further review by the Prescription Drug Plan staff.

   b) Certain claims are temporarily retained in the computer system for processing in a subsequent run. For example:

      i) The claim indicates an old registration number of a beneficiary who has been assigned a new Health Services registration number.

      ii) The claim is for a newborn whose beneficiary number has not yet been added to the family registration number on file.

2. Claims which pass the computer screening are automatically paid.

3. Claims which do not pass the computer screening are assessed and, where possible, corrected and reprocessed.

4. Claims which cannot be processed are returned directly to pharmacists without payment. For example:

   a) The consumer is not an eligible beneficiary.

   b) The drug product provided is not in the Saskatchewan Formulary.

   c) The claim cannot be processed because of insufficient information.

5. A sample of paid claims is selected during each computer run for verification. The Prescription Drug Plan contacts the beneficiaries of these claims to ensure that the service paid for was provided and that all the information on the claim was correct.

The Prescription Drug Plan is the paying agent for the Medical Services Division and the Saskatchewan Health Aids to Independent Living programs for non-formulary prescriptions that are benefits of these two agencies.

Statistical Synopsis

Prescription Drug Plan Beneficiaries

On a family unit basis, 405,583 of 489,843 eligible families (82.8%) received prescriptions (Table II). Each active family unit received an average of 12.5 prescriptions; the average Prescription Drug Plan payment on behalf of each family was $134.83.

The covered population of the Prescription Drug Plan as of June 30, 1984 was 981,011. The number of individuals receiving Prescription Drug Plan benefits in the fiscal year was 686,854, or 70% of the covered population (Table III). On average, each active beneficiary received 7.4 prescriptions for formulary drugs paid for by the Prescription Drug Plan during the twelve month period, compared to 7.2 prescriptions the previous year.

Prescription Drug Plan beneficiaries were divided into three general categories for statistical purposes: Standard Beneficiaries, Saskatchewan Assistance Plan Recipients and Special Beneficiaries (Table IV). Standard Beneficiaries received 90.7% of prescriptions and were responsible for 89.3% of the total Prescription Drug Plan payment. Saskatchewan Assistance Plan beneficiaries received 8.9% of all prescriptions and accounted for 10.1% of total expenditures. Special Beneficiaries received 0.4% of all prescriptions and accounted for 0.6% of total expenditures.

Figure 2 presents, by age group, the distribution of Prescription Drug Plan beneficiaries as compared to the eligible population and the percentage of total prescriptions dispensed to each age group. This figure shows that prescription drug utilization increased with age. The highest percent of prescriptions was in the 55 years and older group, particularly those 65 to 74 years. The 65 + age group made up 12.5% of the eligible population, represented 15.2% of Prescription Drug Plan active beneficiaries, and received 34.9% of all prescriptions.

Figure 3 presents the percentage of total Prescription Drug Plan prescriptions dispensed to males and females by age group. Females received an average of 6.3 prescriptions per eligible female beneficiary in the fiscal year compared to 4.1 prescriptions per eligible male beneficiary. When sex-specific drugs such as oral contraceptives were excluded, females received an average of 5.6 prescriptions per eligible beneficiary.

In this fiscal year, 55.1% of the active beneficiaries were female and made up 49.8% of the covered population. Females accounted for 60.2% of all prescriptions (including sex-specific drugs), averaging 8.1 prescriptions per active beneficiary as compared to 6.6 prescriptions for active male beneficiaries. For all age groups beyond age 14, females received more prescriptions per active beneficiary.

Figure 2: Active Beneficiaries and Prescriptions Dispensed by Age Groups

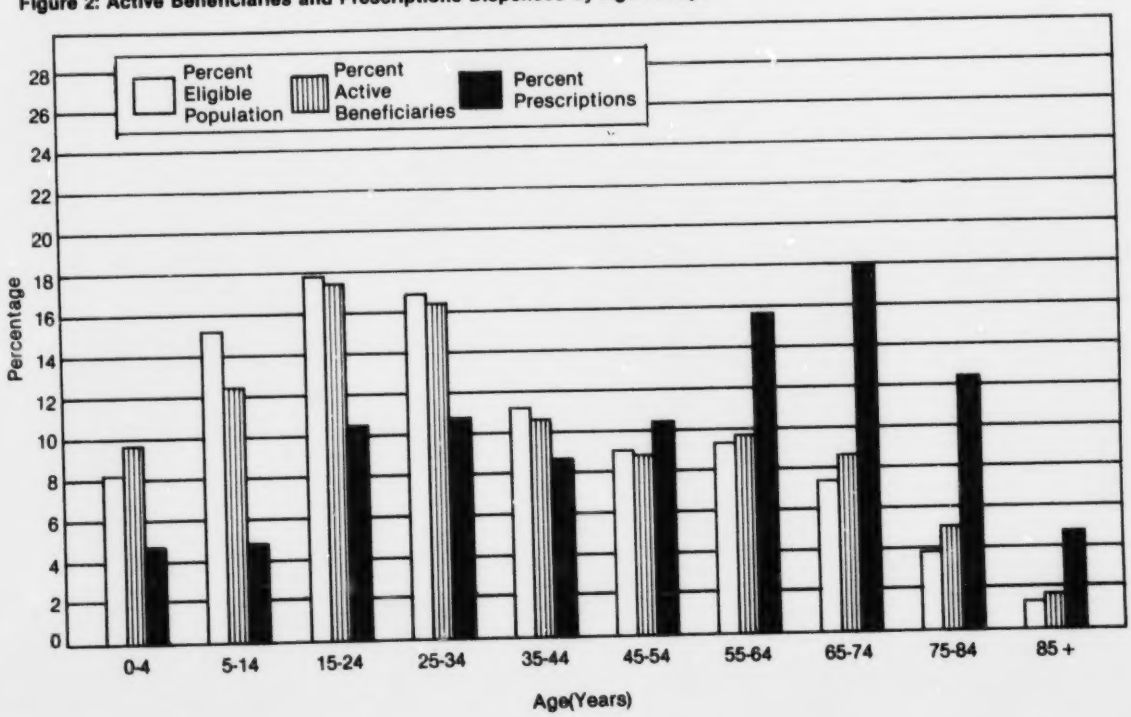
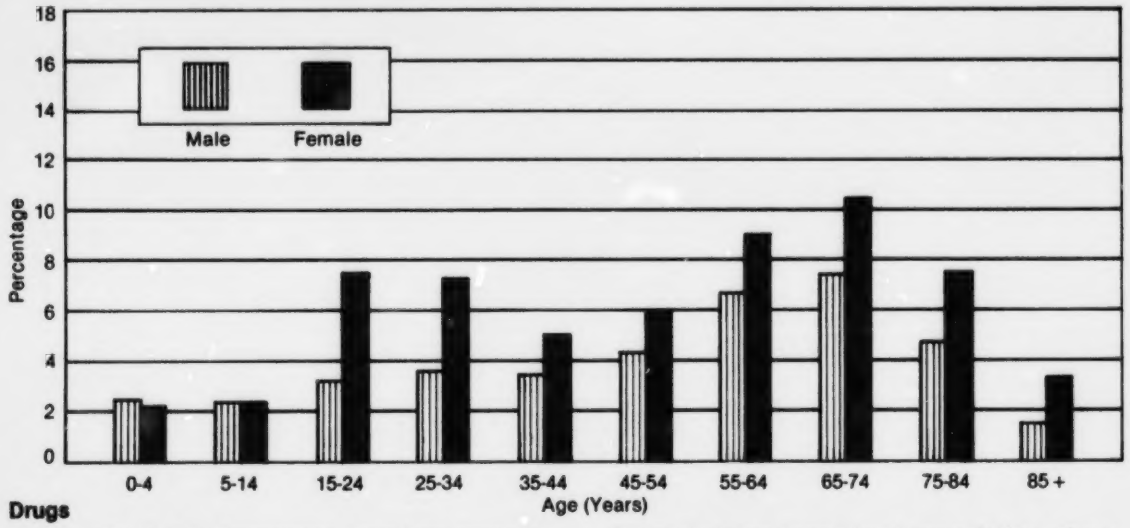


Figure 3: Percentage Total Prescriptions by Sex and Age Group



Drugs

During 1984-85 the Prescription Drug Plan provided coverage for 5.08 million prescriptions compared to 4.88 million prescriptions during 1983-84. This represents a 4.1% increase in prescription volume.

Table V shows prescription volume and Prescription Drug Plan expenditures by Pharmacologic-Therapeutic Classification. Four categories, Central Nervous System (CNS) Drugs, Anti-Infectives, Cardiovascular Drugs, and Hormones and Substitutes, accounted for 72.7% of all prescriptions and 70.6% of all Prescription Drug Plan payment.

Figure 4 shows proportional prescription volume by Pharmacologic-Therapeutic Classification for the last four fiscal years. The proportional prescription volume for Cardiovascular Drugs increased steadily over this time period, while a decline occurred in the proportional use of Electrolytic, Caloric and Water Balance Drugs and Skin and Mucous Membrane preparations. Over the same time period, the proportional use of CNS Drugs declined while Hormones and Substitutes remained relatively stable. Although Anti-Infective Drug use increased in 1982-83, Anti-Infective Drug use decreased in the past fiscal year by 0.6%.

Figure 4: Prescription Volume by Pharmacologic-Therapeutic Classification

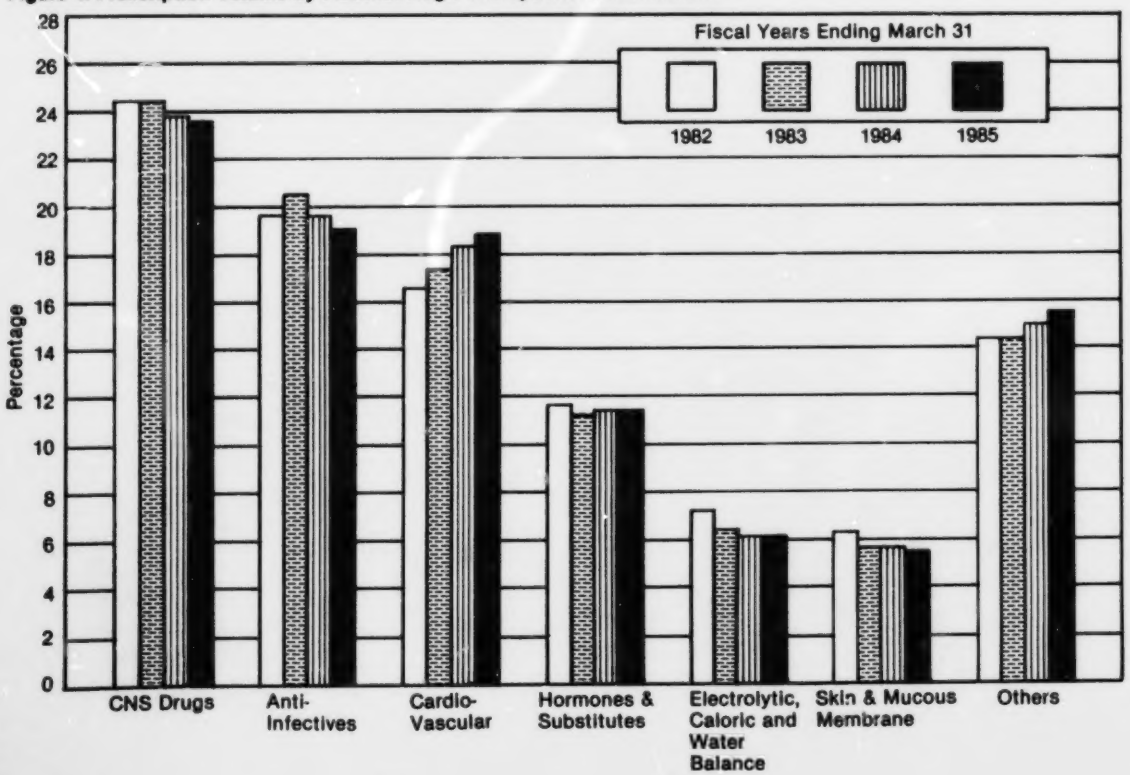


Figure 5: Comparative Prescription Volume: Central Nervous System Drugs

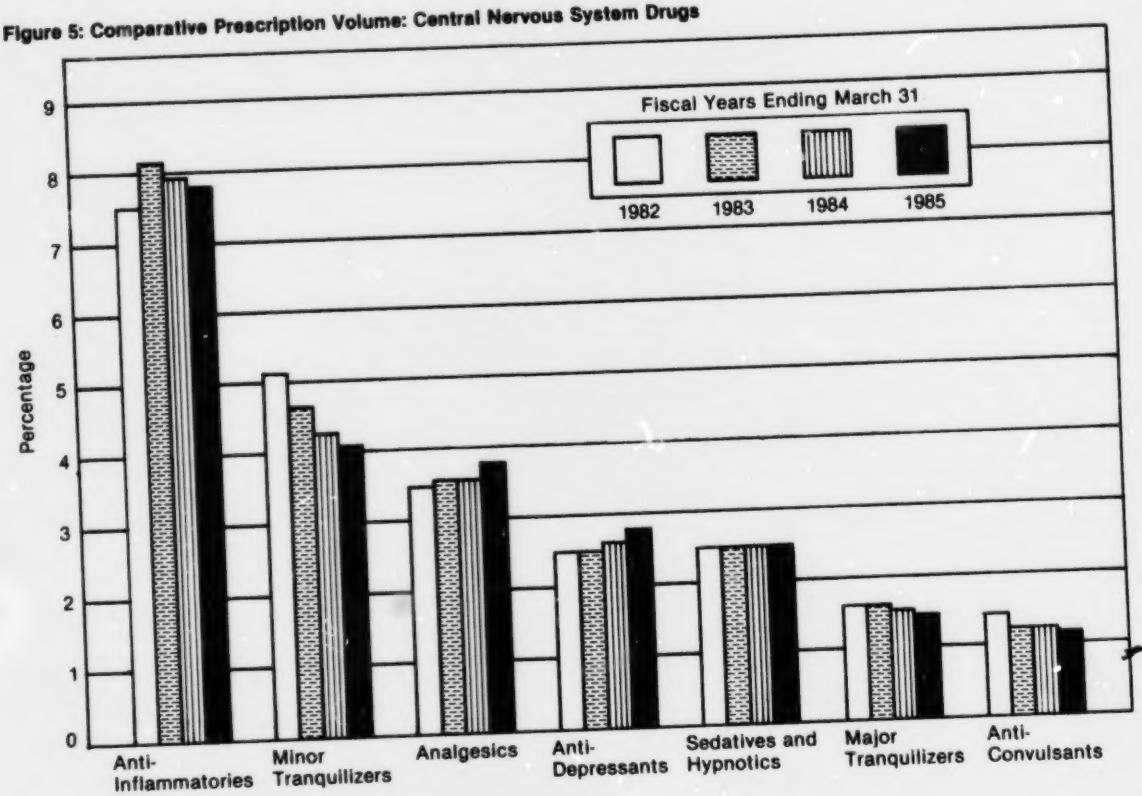


Figure 5 presents a subdivision of CNS drugs showing proportional prescription volume within the category. Anti-arthritic drugs (anti-inflammatories) were the most widely prescribed CNS drugs over the past few years; they accounted for 7.8% of all prescriptions in 1984-85 as compared to 7.6% in 1981-82. The use of Minor Tranquilizers declined in each of the last four years. These drugs accounted for 5.1% of all prescriptions in 1981-82 compared to 4.1% in 1984-85. The proportional use of Analgesics increased by 0.2% in the current fiscal year, while the proportional use of Antidepressants increased by 0.1%. The use of Sedatives and Hypnotics, Anticonvulsants, and Major Tranquilizers remained stable.

Prescription Drug Plan expenditures for the medical oxygen program totalled $881,690. There were 1791 beneficiaries nominated for coverage; the Prescription Drug Plan made payments on behalf of 1,084 beneficiaries (Table XI and XII).

Not included in the tables of the Statistical Synopsis are approximately 17,830 Exception Status prescriptions covered by the Prescription Drug Plan during 1984-85. Over 4,400 beneficiaries received Exception Status prescriptions during the fiscal year. Total Prescription Drug Plan payment for these prescriptions was $1,053,594. Also, not included in the tables of the Statistical Synopsis are 74,090 prescriptions processed on behalf of Medical Services Division and Saskatchewan Health Aids to Independent Living.

Prescribers

Table VII shows a frequency distribution of prescribers by the number of prescriptions paid by the Prescription Drug Plan during the fiscal year. The table excludes prescribers with fewer than 20 formulary prescriptions during 1984-85. Both new and repeat prescriptions are included in the table. Of the 1652 prescribers included in Table VII, 647 prescribed between 20 and 499 prescriptions paid by the Prescription Drug Plan and 102 prescribed 10,000 or more prescriptions.

Pharmacies

A total of 398 pharmacy outlets received payment from the Prescription Drug Plan in the fiscal year. Of these, 67.1% were independent pharmacies and 20.4% were chain outlets (Table IX). The prescription volume in independent pharmacies, was 63.8% in 1984/85 while the volume in chain stores was 26.8%.

Figure 6. Prescription Drug Plan Payment Distribution

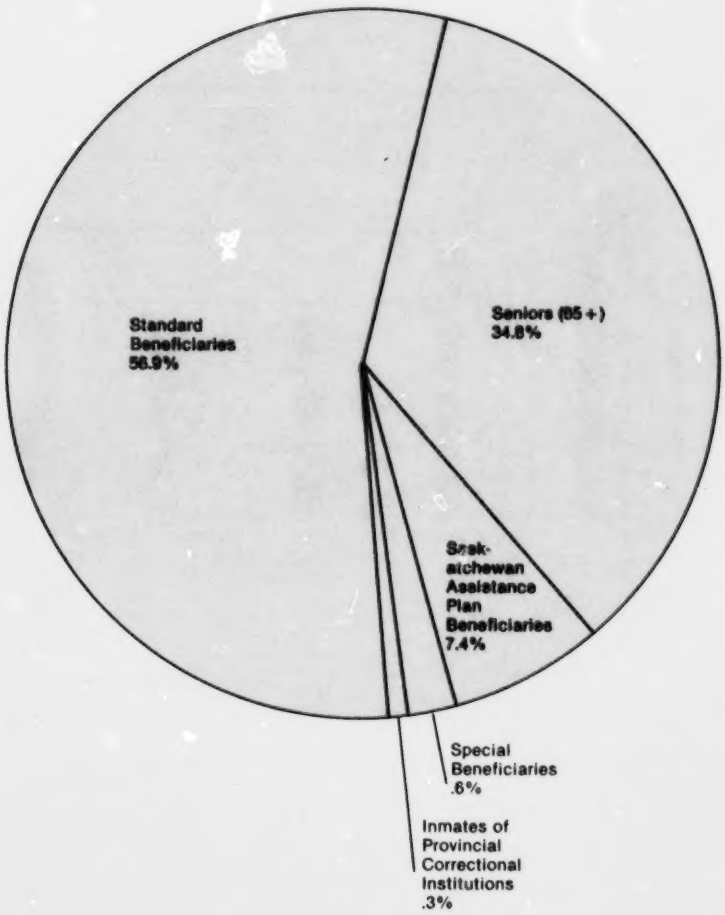

Standard Beneficiaries 56.9%
Seniors (65+) 34.8%
Sask-atchewan Assistance Plan Beneficiaries 7.4%
Special Beneficiaries .6%
Inmates of Provincial Correctional Institutions .3%

Figure 6 shows the current distribution of payments made by the Prescription Drug Plan. Of the total, 56.9% reflects payments made on behalf of Standard Beneficiaries under age 65. The balance, $23,542,115, covers benefits to seniors and to those whose entire health care costs have historically been paid by Saskatchewan Health.

Table I
Prescription Drug Plan Payments to Pharmacies

Statistical Tables[1]	
Prescription Drug Plan Payments	
Drug Material Cost	$46,754,522
Dispensing Fee Subsidy	7,928,744
Total Prescription Drug Plan Payment	$54,683,266
Manual Adjustments[2]	307,714
Net Payment to Pharmacies	$54,990,980
Financial Statements	
Reimbursements to Pharmacies	
Drug Material Cost[3]	$47,020,070
Dispensing Fee Subsidies[4]	7,970,910
Net Payment to Pharmacies	$54,990,980

[1] Statistical Tables II to XIII do not reflect manual adjustments or exception status drugs expenditures.

[2] Manual adjustments include year-end adjustments made in accordance with accounting policies and other adjustments. See Notes to Financial Statements page 28.

[3] See Statement of Revenue, Expenditure, and Fund Balance page 27.

[4] Refers to dispensing fee subsidies paid by the Prescription Drug Plan. See Statement of Revenue, Expenditure and Fund Balance page 27.

Table II
Prescription Costs to Families

Cost to Family (Consumer Cost)[1]	Number of Families	Number of Prescriptions	Drug Material Cost	Total Drug Plan Payment	Total Family Payments (Consumer Cost)	Total Credits to Pharmacies[2]
Non-Users	84,260	—	—	—	—	—
$ 0.00 - 10.00[3]	102,700	364,969	$ 2,746,476	$ 4,085,425	$ 509,141	$ 4,594,566
10.01 - 20.00	76,068	339,801	2,727,339	3,290,931	1,163,592	4,454,523
20.01 - 30.00	41,913	308,600	2,700,355	3,184,754	1,067,772	4,252,526
30.01 - 40.00	43,698	419,814	3,708,579	4,305,884	1,537,416	5,843,300
40.01 - 50.00	23,489	294,178	2,598,697	3,021,507	1,062,094	4,083,601
50.01 - 60.00	23,993	355,150	3,171,794	3,663,559	1,318,329	4,981,888
60.01 - 70.00	13,331	237,239	2,175,961	2,509,260	866,271	3,375,531
70.01 - 80.00	14,653	292,825	2,685,623	3,082,850	1,095,893	4,178,743
80.01 - 90.00	8,830	203,092	1,874,955	2,154,559	749,807	2,904,366
90.01 - 100.00	10,103	253,093	2,378,927	2,718,861	956,430	3,675,291
100.01 - 150.00	25,426	822,444	7,958,170	9,068,702	3,088,661	12,157,363
150.01 - 200.00	11,854	532,753	5,284,836	5,991,849	2,022,431	8,014,280
200.01 - 300.00	7,512	466,114	4,750,220	5,361,249	1,778,077	7,139,326
300.01 - 400.00	1,518	132,960	1,377,002	1,550,002	510,779	2,060,781
400.01 - 500.00	386	44,130	451,358	509,017	168,897	677,914
500.01 and over	109	16,116	164,230	184,857	62,576	247,433
	489,843[4]	5,083,278	$46,754,522	$54,683,266	$17,958,166	$72,641,432

[1] These figures are based on the declared prescription charges of each pharmacy.

[2] Calculated as the sum of Total Drug Plan Payments plus Total Family Payments (see footnote 1 above).

[3] Non-standard beneficiaries receiving prescriptions without charge are shown in this group (see page 9).

[4] Total number of families eligible for Drug Plan benefits. Derived from the Saskatchewan Hospital Services Plan Covered Population Report 1984.

Table III
Prescription Drug Utilization by Age and Sex of Consumer[1]

Age of Consumer	Eligible Population[2]	Active Beneficiaries[3]	Number of Prescriptions	Drug Material Cost	Total Drug Plan Payment[4]
Male					
0 - 4 years	40,651	34,033	125,929	$ 661,189	$ 882,764
5 - 14	75,932	42,288	123,538	967,267	1,170,267
15 - 24	90,211	47,946	156,671	1,210,093	1,475,463
25 - 34	85,270	47,075	182,771	1,611,736	1,912,839
35 - 44	55,325	32,975	176,106	1,734,254	2,020,985
45 - 54	44,682	27,964	217,489	2,332,050	2,671,211
55 - 64	44,686	30,803	339,059	3,727,707	4,251,837
65 - 74	34,252	26,347	377,852	3,892,232	4,419,489
75 - 84	17,271	14,767	246,921	2,318,810	2,675,375
85 and over	4,546	4,148	74,689	580,644	715,659
Male Total	492,826	308,346	2,021,025	$19,035,982	$22,195,889
Female					
0 - 4 years	38,906	31,856	110,649	$ 567,353	$ 762,734
5 - 14	72,627	42,649	122,729	873,999	1,080,103
15 - 24	85,611	71,692	373,488	3,630,461	4,235,440
25 - 34	80,587	65,209	363,338	3,466,573	4,020,824
35 - 44	53,490	38,999	255,052	2,340,102	2,735,636
45 - 54	43,882	32,668	307,425	2,872,807	3,348,388
55 - 64	46,129	36,220	455,415	4,420,552	5,112,250
65 - 74	38,375	32,489	530,365	5,038,001	5,775,002
75 - 84	21,036	19,335	382,523	3,354,277	3,931,856
85 and over	7,542	7,391	161,269	1,154,415	1,485,144
Female Total	488,185	378,508	3,062,253	$27,718,540	$32,487,377
Both Sexes					
0 - 4 years	79,557	65,889	236,578	$ 1,228,542	$ 1,645,498
5 - 14	148,559	84,937	246,267	1,841,266	2,250,370
15 - 24	175,822	119,638	530,159	4,840,554	5,710,903
25 - 34	165,857	112,284	546,109	5,078,309	5,933,663
35 - 44	108,815	71,974	431,158	4,074,356	4,756,621
45 - 54	88,564	60,632	524,914	5,204,857	6,019,599
55 - 64	90,815	67,023	794,474	8,148,259	9,364,087
65 - 74	72,627	58,836	908,217	8,930,233	10,194,491
75 - 84	38,307	34,102	629,444	5,673,087	6,607,231
85 and over	12,088	11,539	235,958	1,735,059	2,200,803
Grand Total	981,011	686,854	5,083,278	$46,754,522	$54,683,266

[1] All active beneficiaries appear in the age and sex group which applied as of the last benefit prescription received.

[2] See page 8, Eligibility for Benefits. Eligible population was derived from the Saskatchewan Hospital Services Plan Covered Population Report, 1984.

[3] Number of persons to whom at least one prescription was dispensed and paid for by the Prescription Drug Plan.

[4] Includes drug material cost and dispensing fee subsidy plus the prescription charge subsidy for Special Beneficiaries and certain Saskatchewan Assistance Plan Beneficiaries.

Table IV
Prescription Drug Utilization by Type of Beneficiary

Type of Beneficiary[1]	Active Beneficiaries	Number of Prescriptions	Total Drug Plan Payments
Standard Beneficiaries	639,969	4,612,655	$48,840,506
Saskatchewan Assistance Plan			
— Prescription Charge Subsidized (Plan One)	27,446	178,570	2,052,820
— Prescription Charge Fully Covered			
Special Drugs for Plan One	6,769	26,602	424,608
Dependents of Plan One to Age 18	17,992	55,531	624,914
Plans Two and Three	11,344	189,584	2,395,704
Special Beneficiaries			
— Paraplegics	717	11,849	193,530
— Cystic Fibrosis	97	1,575	32,561
— Chronic Renal Disease	209	6,853	118,440
— Other	1	9	183
Total	686,854[2]	5,083,278	$54,683,266

[1] See Page 9 for definitions of Type of Beneficiaries.

[2] The total number receiving benefit does not equal this column total because a beneficiary may be covered in more than one category during the fiscal year.

Table V
Prescriptions by Pharmacologic — Therapeutic Classification

Pharmacologic - Therapeutic Classification[1]		Number of Prescriptions	Drug Material Cost	Total Drug Plan Payment
8:00	Anti-Infectives	967,482	$ 5,308,064	$ 6,812,370
12:00	Autonomic Drugs	175,015	2,038,099	2,339,432
20:00	Blood Formation and Coagulation	14,201	92,628	113,073
24:00	Cardiovascular Drugs	959,458	9,295,915	10,663,162
28:00	Central Nervous System Drugs	1,195,112	12,830,513	14,802,418
36:00	Diagnostic Agents	34,631	496,692	546,930
40:00	Electrolytic, Caloric and Water Balance	319,657	1,906,806	2,402,426
48:00	Cough Preparations	167	4,786	5,361
52:00	Eye, Ear, Nose and Throat Preparations	191,776	1,594,587	1,879,197
56:00	Gastrointestinal Drugs	132,642	2,275,645	2,480,675
60:00	Gold Compounds	1,187	48,499	50,173
64:00	Metal Antagonists	3,113	88,191	92,592
68:00	Hormones and Substitutes	574,090	5,417,498	6,340,898
76:00	Oxytocics	456	1,010	1,719
84:00	Skin and Mucous Membrane Preparations	287,033	2,808,726	3,251,974
86:00	Spasmolytics	61,738	553,198	649,729
88:00	Vitamins	37,410	128,427	193,302
92:00	Unclassified	88,661	1,462,673	1,599,035
	Extemporaneous Preparations	39,449	402,564	458,800
Total		5,083,278	$46,754,521	$54,683,266

[1] The drug classification system used is that of the American Society of Hospital Pharmacists.

Table VI
Prescribers by Number of Prescriptions

Number of Prescriptions[2]	Number of Prescribers[1] Physicians	Dentists	Total
20 - 499	382	265	647
500 - 999	111	6	117
1,000 - 1,999	169	2	171
2,000 - 2,999	123	—	123
3,000 - 3,999	89	—	89
4,000 - 4,999	109	—	109
5,000 - 5,999	78	—	78
6,000 - 6,999	68	—	68
7,000 - 7,999	51	—	51
8,000 - 8,999	57	—	57
9,000 - 9,999	40	—	40
10,000 - 10,999	27	—	27
11,000 - 11,999	17	—	17
12,000 - 12,999	16	—	16
13,000 - 13,999	16	—	16
14,000 - 14,999	6	—	6
15,000 - 19,999	18	—	18
20,000 and over	2	—	2
Total	1,379	273	1,652

[1] Excludes physicians and dentists with fewer than 20 prescriptions during the fiscal year.

[2] Includes new and repeat prescriptions.

Table VII
Prescription Volumes by Number of Pharmacies

Number of Prescriptions	Number of Pharmacies 1983-84	1984-85
1 - 10,000	176	193
10,001 - 20,000	127	133
20,001 - 30,000	45	47
30,001 - 40,000	14	12
over 40,000	14	13
Total	376	398

Table VIII
Prescription Volumes by Pharmacy Location

Location of Pharmacy	Number of Pharmacies[1]	Number of Prescriptions	Total Drug Plan Payment
Single Pharmacy Towns	89	886,183	$ 8,998,520
2-5 Pharmacy Towns	63	769,229	7,971,151
Cities			
Estevan	6	78,651	830,169
Lloydminster[2]	4	26,503	253,687
Melfort	6	66,374	690,081
Melville	4	60,358	550,948
Moose Jaw	15	266,875	2,734,339
North Battleford	9	119,221	1,380,489
Prince Albert	14	251,556	2,470,556
Regina	50	1,029,399	11,624,814
Saskatoon	58	987,806	11,405,743
Swift Current	8	159,037	1,737,758
Weyburn	7	109,505	1,191,767
Yorkton	10	145,257	1,556,144
Dispensing Doctors	21	85,556	847,038
Border Pharmacies	34	41,768	440,062
Total	398	5,083,278	$54,683,266

[1] Includes all pharmacies that received payment from the Prescription Drug Plan in the current fiscal year.

[2] Does not include three pharmacies located in Lloydminster, Alberta. These are included as Border Pharmacies.

Table IX
Pharmacies by Type of Ownership

Type of Ownership	Pharmacies[1] Number	Pharmacies[1] Percent	Prescriptions Number	Prescriptions Percent	Drug Plan Payment Amount	Drug Plan Payment Percent
Independent	267	67.1	3,242,390	63.8	$34,219,951	62.6
Chain[2]	81	20.4	1,364,232	26.8	15,160,002	27.7
Co-operatives	26	6.5	371,489	7.3	4,172,768	7.6
Dispensing Doctor	21	5.3	85,556	1.7	847,038	1.6
Hospital Outpatient	3	.7	19,611	.4	283,507	.5
Total	398	100.0	5,083,278	100.0	$54,683,266	100.0

[1] Includes all pharmacies that received payment from the Prescription Drug Plan in the current fiscal year.

[2] Defined as common ownership of four or more stores.

Table X
Dispensing Fees and Prescription Charges[1]

	March 31, 1984	March 31, 1985
Maximum dispensing fee[2]	$5.30	$5.30
Average dispensing fee	$5.16	$5.15
Maximum prescription charge	$3.95	$3.95
Average prescription charge	$3.89	$3.88

[1] Based on dispensing fees and declared prescription charges in effect as of March 31 of each year. Prescription charges do not reflect courtesy discounts which some pharmacies provide to senior citizens.

[2] Established in consultation with the Saskatchewan Pharmaceutical Association.

Table XI
Prescription Drug Plan Payment for Oxygen by Type of Beneficiary

Type of Beneficiary	Active Beneficiaries	Oxygen	Delivery	Demurrage	Total Payment
Gaseous Oxygen					
— Standard Beneficiaries	959	$636,129	-	-	$636,129
— Saskatchewan Assistance Plan	116	134,708	$3,457	$ 812	138,977
— Special Beneficiaries	5	785	-	-	785
Total	1,036[1]	$771,622	$3,457	$ 812	$775,891
Liquid Oxygen					
— Standard Beneficiaries	28	$ 66,633	$ 788[2]	-	$ 67,421
— Saskatchewan Assistance Plan	8	25,904	4,279	$6,220	36,403
— Special Beneficiaries	2	1,975	-	-	1,975
Total	38	$ 94,512	$5,067	$6,220	$105,799

[1] The total number receiving benefit does not equal this column total because a beneficiary may be covered in more than one category during the fiscal year.

[2] Transportation of master container to depot.

Table XII
Oxygen Use By Age and Sex of Consumer

Litres of Oxygen	Age					
Male	0-24	25-44	45-64	65-74	75-84	85+
1 - 10,000	3	6	46	108	95	20
10,001 - 20,000	1	-	18	34	37	9
20,001 - 30,000	3	-	9	12	15	4
30,001 - 40,000	-	1	10	8	8	-
40,001 - 50,000	-	1	9	8	8	1
50,001 - 75,000	1	-	7	22	8	1
75,001 - 100,000	-	1	5	10	8	-
100,001 - 125,000	2	-	5	10	3	2
125,001 - 150,000	-	-	4	6	1	1
150,001 - 175,000	-	-	6	9	5	-
175,001 - 200,000	2	1	2	2	4	1
200,001 - 225,000	1	-	6	3	5	1
225,001 - 250,000	-	-	2	5	5	-
250,001 and over	1	1	34	33	22	3
Male Total	14	11	163	270	224	43
Female						
1 - 10,000	8	14	31	34	31	18
10,001 - 20,000	1	3	9	18	11	2
20,001 - 30,000	1	-	5	2	5	3
30,001 - 40,000	-	1	3	3	8	-
40,001 - 50,000	-	-	2	-	3	-
50,001 - 75,000	-	1	4	4	5	5
75,001 - 100,000	-	1	4	-	-	-
100,001 - 125,000	-	-	1	3	1	3
125,001 - 150,000	-	-	2	-	1	-
150,001 - 175,000	-	-	3	2	-	-
175,001 - 200,000	-	-	-	4	-	-
200,001 - 225,000	-	3	3	2	-	-
225,001 - 250,000	-	-	-	-	-	-
250,001 and over	3	2	22	21	5	1
Female Total	13	25	89	93	70	32
Grand Total	27	36	252	363	294	75

Table XIII
Drug Material Cost by Manufacturer

Manufacturer	Drug Material Cost 1983-84	1984-85
Abbott Laboratories Ltd.	$ 806,314	$ 754,522
Alcon Canada Inc.	112,156	128,041
Allen and Hanburys	1,532,885	1,841,381
Allergan Inc.	63,654	82,981
Ames Company	104,672	96,668
Anca Inc.	58,260	—
Apotex Inc.	911,829	998,824
Astra Pharmaceuticals Canada Ltd.	326,738	420,716
Ayerst Laboratories	2,186,698	2,692,711
Beecham Laboratories Inc.	18,408	14,201
Boehringer Ingelheim (Canada) Ltd.	431,896	525,985
Boehringer Mannheim (Canada) Ltd.	56,008	367,829
Bristol Laboratories of Canada	260,904	150,739
Burroughs Wellcome Inc.	483,783	464,784

Calmic Medical Division	191,485	229,572
Ciba Pharmaceuticals	882,301	1,049,182
Connaught Laboratories Ltd.	695,092	411,359
Connaught Novo Ltd.	—	403,168
Coopervision Inc.	23,162	26,082
Dupont Canada Inc.	—	120,912
Endo Canada Inc.	92,961	—
Fisons Corporation Ltd.	654,928	859,967
Flint Laboratories of Canada	3,613	7,154
Frosst	1,703,382	2,178,506
Geigy Pharmaceuticals	1,336,132	1,649,931
Glaxo Laboratories	324,681	375,992
Hoechst Canada Inc.	349,606	373,603
Hoffmann-LaRoche Ltd.	576,698	621,057
Frank W. Horner Inc.	690,315	310,303
ICI Pharma	3,219	144,131
ICN Canada Ltd.	273,786	337,551
Janssen Pharmaceutica Inc.	106,730	159,686
Jouveinal Laboratories Inc.	—	630
Kenral Inc.	—	118,865
K-Line Pharmaceuticals Ltd.	70,713	73,111
Lederle Cyanamid Canada Inc.	198,564	207,381
Lifescan Medical Products	541	9,663
Eli Lilly Canada Inc.	1,232,107	1,315,138
McNeil Pharmaceutical (Canada) Ltd.	299,127	357,621
Merck Sharp & Dohme Canada Ltd.	2,952,249	3,562,975
Merrell Pharmaceuticals Inc.	256,714	374,682
Miles Pharmaceuticals	897,188	1,088,337
Nadeau Laboratory Ltd.	16,128	11,773
Nordic Laboratories Inc.	265,000	641,523
Novopharm Ltd.	1,978,931	2,112,102
Norwich-Eaton	287,157	338,217
Organon Canada Ltd.	53,143	55,482
Ortho Pharmaceutical (Canada) Ltd.	897,891	1,007,879
Parke, Davis Canada Inc.	699,818	858,321
Pennwalt Inc.	124	—
Pentagone Pharma Inc.	4,347	6,134
Pfizer Canada Inc.	2,829,920	2,928,869
Pharmacia (Canada) Inc.	79,546	102,145
Pharmascience Inc.	—	33,244
Purdue Frederick Inc.	71,139	87,575
Reed & Carnrick	17,395	21,471
Rhone-Poulenc Pharma Inc.	828,788	1,001,486
Riker Canada Inc.	11,975	16,458
A.H. Robins Canada Inc.	101,483	129,515
Rorer Canada Inc.	57,073	68,251
Rougier Inc.	6,376	6,628
Roussel Canada Inc.	161,748	174,392
Sabex International (1980) Ltd.	310	261
Sandoz Pharmaceuticals	1,062,126	1,343,971
Schering Canada Inc.	456,102	548,499
G.D. Searle & Co. of Canada Ltd.	803,303	970,428
Smith Kline & French Canada Ltd.	1,975,062	2,058,181
Squibb Canada Inc.	800,944	1,047,704
Stanley Drug Products Ltd.	27,396	32,723
Stiefel Canada Inc.	21,342	36,399
Syncare Pharmaceutical Inc.	—	272,968
Syntex Inc.	1,145,533	1,104,481
Trans Canada Dermapeutics Ltd.	12,917	29,325
The Upjohn Company of Canada	1,411,615	1,338,030
USV Canada Inc.	180,338	72,027
Westwood Pharmaceuticals	54,772	58,974
Winthrop Laboratories	266,940	315,221
Wyeth Ltd.	2,187,601	2,615,360
Extemporaneous Preparations[1]	302,298	402,564
Total	$40,246,080	$46,754,522

[1] Extemporaneous Preparations are compounded by the pharmacist.

Saskatchewan Prescription Drug Fund

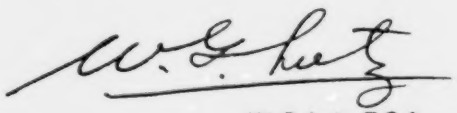
Financial Statements
Year Ended March 31, 1985

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Prescription Drug Fund as at March 31, 1985 and the statement of revenue, expenditure and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1985 and the results of its operations for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
May 14, 1985.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Saskatchewan Prescription Drug Fund

Balance Sheet

As At March 31

Statement 1

	1985	1984
Assets		
Fixed assets		
Furniture and equipment	$ 49, 254	$ 49,123
Liabilities and Equity		
Equity in fixed assets	$ 49,254	$ 49,123

(See accompanying notes to the financial statements)

Saskatchewan Prescription Drug Fund

Statement of Revenue, Expenditure and Fund Balance

Statement 2

Year Ended March 31

	1985	1984
Revenue		
Grant - Department of Health	$59,602,678	$51,521,440
Other	228,330	34,094
Total Revenue	59,831,008	51,555,534
Expenditure		
Reimbursements		
Drug material costs	47,020,070	40,357,941
Special status drugs and oxygen	1,935,284	1,432,305
Dispensing fee subsidies	7,970,910	7,083,454
Administration expenses (Schedule 1)	2,675,103	2,647,364
Acquisition of fixed assets	1,311	376
Total Expenditure	59,602,678	51,521,440
Excess of revenue over expenditure	228,330	34,094
Other revenue transferred to the Consolidated Fund	(228,330)	(34,094)
Fund balance, beginning of year	—	—
Fund balance, end of year	$ —	$ —

(See accompanying notes to the financial statements)

Saskatchewan Prescription Drug Fund

Schedule of Administration Expenses

Schedule 1

Year Ended March 31

	1985	1984
Salaries	$1,461,725	$1,426,333
Registration services - S.H.S.P.	403,280	394,970
Computer services	247,256	279,975
Employee fringe benefits	104,411	96,134
Printing and advertising	82,956	64,503
Rent of office equipment	66,159	58,897
Grant to University of Saskatchewan	62,430	63,525
Stationery and office supplies	51,172	38,671
Laboratory fees	45,187	50,565
Travel and sustenance	27,218	28,117
Honoraria	18,826	23,677
Postage and communication	22,374	19,287
Repairs and maintenance	18,385	17,277
Telecommunication subsidies	22,129	14,261
Educational and professional fees	6,077	4,607
Research and consulting fees	770	61,520
Miscellaneous contractual services	26,945	5,045
Relocation services	7,803	—
	$2,675,103	$2,647,364

Saskatchewan Prescription Drug Fund

Notes to the Financial Statements March 31, 1985

1. Accounting Policies

a) Basis of Accounting

The accounts of the Saskatchewan Prescription Drug Fund are maintained on a modified cash basis for a fiscal year commencing on April 1 and ending on March 31. Revenues are recorded as received and expenditures are charged to the accounts when payment is made. In addition, revenues received in April which apply to the preceding fiscal year are taken into revenue of the preceding fiscal year, and payments made during April which are for goods and services received in the preceding fiscal year are taken into expenditure of the preceding fiscal year. With respect to reimbursement of drug costs and subsidies, payments made during April related to drugs dispensed in the preceding fiscal year are only reflected as expenditures of the previous fiscal year to the extent that claims for payment were received by March 31.

b) Grant - Department of Health

Pursuant to The Prescription Drugs Act, moneys appropriated by the Legislature for the purpose of the Act are credited to the Fund. In addition, any surplus remaining from the appropriations received during the year is returned to the Consolidated Fund of the Province of Saskatchewan at the end of the year, reducing the reported amount of the grant. In determining the amount of the surplus, other revenues received, which are periodically transferred to the Consolidated Fund throughout the year, are excluded.

c) Fixed Assets

Fixed asset purchases are charged as an expense against operations in the year of purchase and are therefore not depreciated. To reflect accountability for fixed assets in the financial statements, they are recorded on the balance sheet at cost with a corresponding entry to "Equity in Fixed Assets". Disposals are reflected as a reduction in fixed assets and equity in fixed assets with any proceeds on sale recorded as miscellaneous revenue.

2. Authority

The Saskatchewan Prescription Drug Fund was established under the authority of Section 8(1) of The Prescription Drugs Act, effective April 1, 1975, pursuant to Minister of Finance Order No. 93 dated December 12, 1974 for the purpose of providing assistance to residents of Saskatchewan in purchasing drugs they require for preventative, diagnostic or therapeutic purposes.

3. Related Party Transactions

In accordance with established government policy, the Fund has not been charged with certain costs including occupancy, office services and personnel administration. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

4. Subsequent Payments

In accordance with the accounting policy described in Note 1 a), reimbursements related to the period ended March 31, 1985 not reflected in these statements total $1,459,578 (1984 -$1,099,588).

Included in the above amount is an inventory cost allowance of $242,374, payable to pharmacies as a result of an agreement between the Department of Health and the Saskatchewan Pharmaceutical Association which was concluded in May, 1985 but which was retroactive to December 1, 1984.

5. Comparative Figures

Certain comparative figures have been reclassified in order to conform with the current year's presentation.